

ASSEMBLY BILL

No. 323

Introduced by Assembly Member Parra

February 7, 2003

An act to amend Section 999 of the Military and Veterans Code, relating to veterans.

LEGISLATIVE COUNSEL'S DIGEST

AB 323, as introduced, Parra. Disabled veteran business enterprises.

Existing law establishes a 3% statewide participation goal for disabled veteran business enterprises for specified types of contracts.

This bill would revise the definition of “disabled veteran business enterprise” to additionally require that such a business be a nonprofit community-based organization, incorporated in California, whose purpose is to provide employment training, transitional or shelter housing, and other services to veterans and their families.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 999 of the Military and Veterans Code
2 is amended to read:

3 999. As used in this article, the following definitions apply:

4 (a) “Administering agency” means the Treasurer in the case of
5 contracts for professional bond services, and the Department of
6 General Services’ Office of Small Business Certification and

1 Resources, formerly known as the Office of Small and Minority
2 Business, in the case of contracts governed by Section 999.2.

3 (b) “Awarding department” means any state agency,
4 department, governmental entity, or other officer or entity
5 empowered by law to issue bonds or enter into contracts on behalf
6 of the State of California.

7 (c) “Bonds” means bonds, notes, warrants, certificates of
8 participation, and other evidences of indebtedness issued by or on
9 behalf of the State of California.

10 (d) “Contract” includes any agreement or joint agreement to
11 provide professional bond services to the State of California or an
12 awarding department. “Contract” also includes any agreement or
13 joint development agreement to provide labor, services, material,
14 supplies, or equipment in the performance of a contract, franchise,
15 concession, or lease granted, let, or awarded for and on behalf of
16 the State of California.

17 (e) “Contractor” means any person or persons, regardless of
18 race, color, creed, national origin, ancestry, sex, marital status,
19 disability, religious or political affiliation, or age, or any sole
20 proprietorship, firm, partnership, joint venture, corporation, or
21 combination thereof who submits a bid and enters into a contract
22 with a representative of a state agency, department, governmental
23 entity, or other officer empowered by law to enter into contracts
24 on behalf of the State of California. “Contractor” includes any
25 provider of professional bond services who enters into a contract
26 with an awarding department.

27 (f) “Disabled veteran” means a veteran of the military, naval,
28 or air service of the United States, including, but not limited to, the
29 Philippine Commonwealth Army, the Regular Scouts (“Old
30 Scouts”), and the Special Philippine Scouts (“New Scouts”), with
31 a service-connected disability who is a resident of the State of
32 California.

33 (g) (1) “Disabled veteran business enterprise” means a
34 business concern certified by the administering agency as meeting
35 all of the following requirements:

36 (A) It is a sole proprietorship at least 51 percent owned by one
37 or more disabled veterans or, in the case of a publicly owned
38 business, at least 51 percent of its stock is owned by one or more
39 disabled veterans; a subsidiary which is wholly owned by a parent
40 corporation, but only if at least 51 percent of the voting stock of



1 the parent corporation is owned by one or more disabled veterans;
2 or a joint venture in which at least 51 percent of the joint venture's
3 management and control and earnings are held by one or more
4 disabled veterans.

5 (B) The management and control of the daily business
6 operations are by one or more disabled veterans. The disabled
7 veterans who exercise management and control are not required to
8 be the same disabled veterans as the owners of the business
9 concern.

10 (C) It is a sole proprietorship, corporation, or partnership with
11 its home office located in the United States, which is not a branch
12 or subsidiary of a foreign corporation, foreign firm, or other
13 foreign-based business.

14 *(D) It is a nonprofit community-based organization,*
15 *incorporated in California, whose purpose is to provide*
16 *employment training, transitional or shelter housing, and other*
17 *services to veterans and their families.*

18 (2) Notwithstanding paragraph (1), after the death or the
19 certification of a permanent medical disability of a disabled
20 veteran who is a majority owner of a business concern that
21 qualified as a disabled veteran business enterprise prior to that
22 death or certification of a permanent medical disability, and solely
23 for purposes of any contract entered into before that death or
24 certification, that business concern shall be deemed to be a
25 disabled veteran business enterprise for a period not to exceed
26 three years after the date of that death or certification of a
27 permanent medical disability, if the business concern is inherited
28 or controlled by the spouse or child of that majority owner, or by
29 both of those persons.

30 (h) "Foreign corporation," "foreign firm," and
31 "foreign-based business" means a business entity that is
32 incorporated or has its principal headquarters located outside the
33 United States of America.

34 (i) "Goal" means a numerically expressed objective that
35 awarding departments and contractors are required to make efforts
36 to achieve.

37 (j) "Management and control" means effective and
38 demonstrable management of the business entity.

39 (k) "Professional bond services" include services as financial
40 advisers, bond counsel, underwriters in negotiated transactions,

- 1 underwriter's counsel, financial printers, feasibility consultants,
- 2 and other professional services related to the issuance and sale of
- 3 bonds.

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